

SPOOKS, WHISTLEBLOWERS AND FALL GUYS

**Whistleblower
Rodney Stich
exposes the crimes
and entrenched
corruption behind
the scenes of US
government, big
business and the
intelligence
community.**

Part 1 of 2

by Uri Dowbenko © 1998

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In his monumental book, *Defrauding America*, former US Federal Aviation Administration (FAA) investigator Rodney Stich writes: "After Clinton was elected President of the United States, his administration and its Justice Department halted all investigations and prosecution of the crimes related to Inslaw, October Surprise, CIA drug trafficking and money laundering, BNL, BCCI and Iraqgate.

"Clinton had much to hide when he left Arkansas to assume the presidency of the United States," Stich continues. "His misuse of government facilities and power to feed his sex drive, his use of drugs, his cover-up of the CIA's unlawful arms shipments from Arkansas and related drug trafficking, were crimes. The mysterious deaths, killings and beatings of people possessing information that would expose these corrupt activities added further to Clinton's problems. He certainly needed a thick armor of protective officials in government. Fortunately for him, the US media kept the lid on these major crimes."

That must be what they mean by "Don't ask, don't tell".

Defrauding America, Stich's classic study of 20th-century history, contains hard evidence of state-sponsored terrorism by the US Government. In fact, the cross-corroborated testimony of over three dozen federal agency whistleblowers contributed to the unprecedented information in this astounding book.

DOES "CIA" STAND FOR "COCAINE IN AMERICA"?

In a chapter called "Evidence on Top of Evidence", Stich recounts the testimony of veteran FBI Special Agent Richard M. Taus who recalls uncovering and reporting evidence of CIA drug trafficking by a group called "K-Team".

According to Stich: "The K-Team had a front operation with the patriotic-sounding name, National Freedom Institute, and called its operations 'the Enterprise'. Taus said that this was 'the Enterprise' that repeatedly surfaced in the Iran-Contra congressional hearings... Taus' team discovered that the K-Team was a CIA operation, and that it was engaged in drug trafficking, looting of savings and loans, and activities related to what later became known as Irangate and Iraqgate."

Another of Stich's informants, Gene "Chip" Tatum, confirmed these allegations. He was the helicopter pilot who actually ferried Oliver North, Felix Rodriguez (aka Max Gomez) and William Barr (attorney of the CIA's Southern Air Transport and later US Attorney General under George Bush) in Central America.

Tatum, according to Stich, described one meeting that was held "to determine where over \$100 million in drug money disappeared on the three routes from Panama to Colorado, Ohio and Arkansas. This theft was financially draining the operation known as 'the Enterprise'... The first call was made by Fernandez to Oliver North, informing North that 'the money loss was occurring on the Panama to Arkansas route, and that means either Seal, Clinton or Noriega'."

No honour among thieves, since CIA pilot Barry Seal, Arkansas Governor Bill Clinton and Panama's General Manuel Noriega were all suspected of skimming George Bush's cocaine profits. And here's how the Dixie Mafia and the Yankee Mob work together, according to Gene "Chip" Tatum.

"Fifteen minutes later, the portable phone rang and Vice-President George Bush was on the line talking to William Barr," Stich records. "Barr said at one point, referring to the missing funds, 'I would propose that no one source would be bold enough to siphon out that much money, but it is more plausible that each [is] siphoning a portion, causing a drastic loss'..."

"Tatum said that Barr then dialed another number, immediately reaching then-Governor Bill Clinton. Barr explained the missing money problem to Clinton...that over \$100 million of 'Enterprise' monies had disappeared along the Arkansas end of the Panama to Arkansas route, and that he and Oliver North would continue investigating the Panama end of the connection, warning that the matter must be resolved or it could lead to 'big problems'."

The problems were evidently ironed out. Bill Clinton became President—one of the CIA's "few groomed men" who was promised his position on the "shortlist" for the job, according to Terry Reed and John Cummings, authors of *Compromised*.

In another instance, Tatum flew the group to Santa Ana, Honduras, meeting with Enrique Bermudez and other Contra leaders and visiting a cocaine processing facility.

"Tatum described the strong smell of jet fuel and acetone, and the large fuel pods that had the tops stripped off them and in which were fuel and leaves," writes Stich. "Tatum repeated what Oliver North said: 'One more year of this and we'll all retire'... [Or, if not retirement, how about an Ollie North syndicated radio talk show? Or what about a run for senator, maybe even President—on the anti-drug, law-and-order platform? The hubris of these criminals is unbelievable.] North added, 'If we can keep those Arkansas hicks in line, that is'—referring to Barry Seal and Governor Clinton..."

"As Tatum listened to these conversations, he remembered the army officers' remarks...when Tatum complained about the carrying of drugs: 'Tell no one. There's no one big enough in your chain of command.'"

No kidding. Hearing Oliver North discuss the involvement of George Bush and Bill Clinton in drug smuggling, Tatum wisely followed this advice.

STICH VERSUS THE SYSTEM

Former US Government investigator Rodney Stich is one of today's unsung heroes. His singleminded dedication in exposing government crimes and cover-ups has resulted in his own harassment, imprisonment and bankruptcy. His story will remind you of the persecution of dissidents in the former Soviet Union. Hounded and nearly destroyed by government agents in today's National Security State of America, Stich has nevertheless persevered.

His 753-page book, *Defrauding America* (in its third expanded and revised edition) is clearly a labour of love. It also happens to be the definitive history of crime, corruption and cover-ups by the US Federal Government in the 20th century. This book is not merely important; it is indispensable for every person who wants to know the behind-the-scenes manoeuvres of big government, big business and organised crime—in many instances, different branches of the same beast. Future generations will regard this book as an historical milestone like Edward Gibbon's *Decline and Fall of the Roman Empire*. Why? Because *Defrauding America* contains prima facie evidence of legal and judicial corruption so horrendous and so monstrous as to defy imagination.

And how did it happen? Rodney Stich used to be a Federal Aviation Agency investigator. After many years and continuous reports of airline maintenance abuse and negligence, he became a whistleblower; but because of the powerful forces he had chal-

lenged, he was set up, falsely charged and imprisoned.

During his "diesel therapy"—being constantly moved from one prison to another so there would be no time for him to file court appeals—he met and interviewed other whistleblowers from other US Government agencies. He accumulated more and more information and was able to write and publish *Defrauding America*.

In a recent interview, Stich said: "My initial imprisonment was due to so-called contempt of court. As you may know, I had discovered extremely serious government misconduct related to a series of air disasters. That started me into becoming a kind of an activist in government corruption.

"As I was aggressively pursuing this and acquiring more information from other government agents over a period of years, I started discovering other forms of government corruption. Involved with all of this was the United States Justice Department

cover-up which I've encountered for the last 30 years. So if the Justice Department is obstructing justice, there isn't much one can do. But I discovered a particular statute—I may be the only one that ever used this—and the wording is very clear.

"This is Title 18, Section 4," continued Stich. "It states that 'Anyone who knows of a federal crime who does not promptly report it to a federal judge or other federal officer becomes guilty of the crime of subornation of a crime'."

"So I thought this is an excellent way to circumvent the obstruction of

justice by the US Justice Department. I filed action demanding that the judge receive my evidence and the evidence of some of the other agents I had become acquainted with. By law they're required to do so. Instead, they refused to receive it."

So then what happened?

"Sometimes they dismissed it without a hearing," said Stich, "and never even allowed me to get to that point. Then they also rendered an order, and this was repeated several times, forever barring me access to the federal courts. This is, of course, unlawful and unconstitutional. And also it's obstructing justice.

"As my knowledge of criminal activities in government increased—when I started getting heavy evidence of CIA drug trafficking—I filed actions again, even though federal judges barred me access to the federal court, which they legally can't do but they do it. Then they held me in contempt of court for even trying to report the criminal activity that I must report."

Because he had been betrayed by attorneys many times before, Stich represented himself, having learned the details of navigating in the corrupt waters of the US judicial system. There were lots of shoals, and his own shipwreck was his eventual imprisonment.

"As attorneys would tell me over the years," Stich said laughingly, "If I represent you, that would be the end of my career,' because the government is very powerful and government can very easily affect an attorney's career.

"The initial imprisonment was six months in federal prison for contempt of court," continued Stich. "In other words, here I am trying to report crime that the Justice Department and federal judges were actually involved in covering up. Incidentally, to do this the federal judges had to have the cooperation of the Justice Department because the Justice Department would then file the charges and prosecute."

Is it really possible that they worked hand-in-glove to cover up

"Tatum said that Barr then dialed another number, immediately reaching then-Governor Bill Clinton."

the exposure of these criminal activities?

"Yes," said Stich, "and it's interesting to note that in the early stages, in one of my earlier books—the second edition of *Unfriendly Skies*—I was naming federal judges and Justice Department personnel who were blocking the reports I had of the criminal activities related to a series of air disasters. Of course, later on when I'm going to federal court with other offences, these same groups are now charging me with contempt of court for trying to expose criminal activities in which they are implicated."

"And justice for all"—from the American Pledge of Allegiance—turns out to be nothing but a sick joke.

EVIDENCE OF CIA AND DEA DRUG TRAFFICKING

In his introduction to *Defrauding America*, Stich writes: "This book reveals criminal and subversive activities implicating high-level personnel in the three branches of the federal government. It reveals why most of the public is dangerously uninformed about the criminal acts perpetrated against the United States and its people by the very people entrusted to prevent such happenings.

"Many criminal activities, such as CIA drugging of America, will be difficult to believe by most Americans who have been shielded from the truth by a duplicitous Congress and much of the media," he continues. "For those of us who have seen these events as insiders, including those who actually participated in them, questioning whether the CIA would engage in drug trafficking is like asking pilots, 'Will planes really fly?' Yes, planes actually fly, and, yes, the CIA has been smuggling drugs into the United States for the past 50 years."

One of the most explosive chapters in the book is entitled "CIA and DEA Drug Trafficking". This includes first-hand accounts of former CIA and DEA (Drug Enforcement Administration) agents who were part of these operations.

Stich writes: "My phone was used for hundreds of hours of three-way conference calls between CIA and DEA personnel, their wives, a Mossad agent and even Ross Perot. Often the conversations were of the nature of one pilot describing to another events that they experienced, each one knowing that any fabrication would be recognized by the other. My position was like a secret mole inside covert CIA activities, adding to the discoveries I made while a federal investigator and while being victimized in one of the many criminal enterprises."

Cross-corroboration of testimony by CIA operatives Gunther Russbacher and Trenton Parker, for instance, indicates that the Colombian drug cartels were actually organised by the CIA.

"Parker told how the CIA set up the meetings in which various Colombian drug dealers organized into a drug trafficking cartel..." writes Stich. "He stated that the first meeting occurred with 20 of the biggest cocaine dealers in Colombia present; that the second and final meeting was held at the Hotel International in Medellín, attended by about 200 drug dealers... The Medellín Cartel was established in December 1981, and each of their members paid an initial US\$35,000 fee to fund a security force for the cartel mem-

bers to protect their drug operations."

Furthermore, Stich writes that CIA operative Gunther Russbacher "confirmed the meetings that Parker mentioned and that there had been a preliminary meeting in September 1981 in Buenaventura, Colombia, which established the format for subsequent meetings. Russbacher attended the September 1981 meeting which was initiated by the CIA to facilitate drug trafficking into the United States, permitting the CIA to deal with a group rather than many independent drug dealers."

What does that mean? The phony, so-called "war on drugs" is simply an operation to eliminate any competition to state-sanctioned drug trafficking.

"The average American is unaware of the gravity of the CIA's criminal activities, thanks to the orchestrated cover-up and disinformation by the establishment media," writes Stich. "The corrupt mindset has existed for years. Initiating wars as in Vietnam and assassination activities as in Vietnam and Central America are routine..."

"Although the CIA is not permitted by law to operate within the United States, it has done so. It has engaged and is engaging in many forms of criminal activities against the American people. Through fronts, cut-outs and proprietaries, the CIA has defrauded all types of US financial institutions including savings and loans, banks and insurance companies. The CIA is a major player in the looting of Chapter 11 assets, making the exercise of Chapter 11 statutory protections a trap for unwary Americans."

According to Stich's informants who are former DEA whistleblowers, the US federal agency created to stem the influx of drugs into the United States has become so corrupt that it has become an *ipso facto* drug cartel itself. These are serious criminal activities which have never been investigated or dealt with by the US Department of Justice.

"On April 4, 1993, I received the first of a series of phone calls from a former DEA pilot, Basil Abbott, who had flown drugs from Central and South America for the DEA in DEA aircraft since 1973," writes Stich in his book.

"Abbott was in federal prison, being charged with a parole violation while on a trip from Austin, Texas, to Missouri. The parole violation consisted of failure to convince the DEA agents that he was not doing anything to violate his parole. The actual reason for his arrest was that Abbott tried to interest the media and the networks in his charges that the DEA routinely engages in drug trafficking into the United States... Abbott named other DEA pilots who, acting under DEA orders, flew drug-laden aircraft from Central America to the United States. These included Floyd Carlton, Cesar Rodriguez, Daniel Miranda and George Phillips, among others..."

The intensity of the drug trafficking flights was revealed by Abbott as he described the large number of aircraft arriving and departing: "It was like Grand Central Station at some airstrips in Belize and Nicaragua."

Stich continues: "These flights were profitable for everyone involved, including the pilots." In addition to their government

"For those of us who have seen these events as insiders, including those who actually participated in them, questioning whether the CIA would engage in drug trafficking is like asking pilots, 'Will planes really fly?'"

salary, DEA pilots received additional money or perks. "Abbott received \$60,000 and 50 pounds of pot for this one week of flying to the Miskito Indians..."

"Abbott told me about a flight to Panama with DEA agent George Phillips [Phillips was a CIA contract agent assigned to the DEA]. While stopped for fuel at Belize, Phillips opened an aluminum suitcase that held rolls of tapes and disks marked 'Inslaw'. Phillips told Abbott that the tapes were money records of a fake company used by a group of drug dealers. This software, called 'PROMIS', was initially stolen from the Inslaw company by Justice Department officials who then sold the computer program to foreign governments and drug cartels..."

"Abbott described his frequent contacts with the DEA's Central America Bureau Chief, Sante Bario, and how the DEA silenced Bario to keep the CIA and DEA drug smuggling operations from the public... DEA and Justice Department attorneys charged Bario with federal drug offenses, causing his imprisonment... When brought before US District Judge Shannon in San Antonio, Bario tried to describe his DEA duties and the DEA and CIA drug trafficking, but Justice Department attorneys and the judge blocked him from proceeding. After being returned to his jail cell, a prison guard gave Bario a strychnine-laced peanut butter sandwich, causing immediate painful convulsions and subsequent death. The official autopsy report covered up for this murder, reporting that Bario died of asphyxiation."

UNINDICTED CRIMINALS IN HIGH PLACES

Stich names lots of big names in his book: public officials and well-known politicians, participants in serious criminal offences. These of course include celebrity-status politicians like the heretofore unindicted Bill Clinton, George Bush, William Barr and Oliver North.

It makes you wonder whether Stich has ever been sued or threatened by anyone for libellous content or for anything in his books that was untrue.

"No, I never have," said Stich. "Something interesting did happen a few months ago. There was one drug enforcement agent, Michael Hurley, who was agent in charge at Mena, Arkansas."

Mena, by the way, was the site of a small rural airport in Arkansas, the staging area for drug shipments into the United States during the late 1980s.

"His name originally came up in the Inslaw matter," continued Stich. "Michael Riconosciuto was involved in altering the Inslaw software which was stolen by the Justice Department people from the Inslaw company. So when Congress wanted Riconosciuto to testify to these matters, he was called by a Justice Department official and told: 'If you testify, we'll get you.' He goes and testifies, and, a week later, Michael Hurley who was a DEA agent in Nicosia was transferred to the state of Washington and was then involved in filing what I feel are false drug charges against him."

So Hurley was the one who initially set up Riconosciuto?

"Hurley was chief agent for the DEA in Mena and was well aware of the smuggling in early 1980s."

And this is the crossroads where different crimes and cover-ups intersect—what the late journalist Danny Casolaro called "the Octopus", a global cabal of dirty tricksters involved in deals around the world. According to Casolaro, the Octopus was a loosely knit international network of former CIA operatives, military men, organised crime figures and other "Beltway bandits" (former government officials) who worked together on various projects including arms manufacturing, money laundering, procurement fraud and kickbacks.

"Meanwhile," Stich added, "Lester Coleman, author of *The*

Trail of the Octopus, was working out of Beirut and Nicosia as an agent for the Defense Intelligence Agency [DIA]. He was instructed to spy on the DEA while he was working under the cover of the Christian Broadcast Network."

And why didn't the DIA trust the DEA?

"My understanding is that DIA felt that the DEA was heavily involved in drug trafficking," said Stich. "They just wanted to know what was going on. Coleman was an operative in Nicosia. The DIA was using [Pat Robertson's] Christian Broadcast Network as a cover. While Coleman is working in Nicosia, he finds out that Michael Hurley and the DEA are involved in a drug pipeline that involves the CIA, the DEA, the Syrian drug traffickers and Lebanese drug traffickers, and that they were using Pan Am aircraft for smuggling the drugs. It was this drug pipeline—the way it was being operated—that permitted the terrorists to put the bomb on board Pan Am 103. This is where Michael Hurley comes in. Coleman says that the DEA and Hurley were aware of and were involved in this drug pipeline."

"Michael Hurley sent me a fax four months ago," Stich added. "He said that he heard me referring to him on the Internet and he would sue me if it were untrue. So I faxed him back and said: 'Frankly, I haven't mentioned you at all on the Internet. However, since we're in contact, I want you to confirm to me that you were the DEA agent in Arkansas in the early '80s.' He never answered. But I talked with Lester Coleman, and he confirmed that, yes, it was true."

Just another unindicted criminal?

"As far as unindicted criminals are concerned," Stich noted, "you'd have a good part of the US Justice Department. But who's going to prosecute?"

INSTITUTIONAL CORRUPTION

So what's Stich's sense of this institutional corruption which has gone on through several administrations for at least 30 years?

"As far as Justice Department corruption is concerned, I was able to document it for the last 30 years while I was a federal investigator," replied Stich. "In fact, while I was a federal investigator with the FAA in the 1960s, I even accused, in writing, J. Edgar Hoover of criminal cover-up and obstruction of justice. You know, a federal employee can not get away with that. And there's some particular federal directive that makes that a very serious offence if you do that [accuse a public official] without having evidence. Now I had plenty of evidence. It was about 1965. I had been in contact with him for some time, bringing to his attention the criminal activities that I'd discovered in the FAA and also while I was acting as an independent prosecutor."

"I was able to document other criminal activities, not only in the FAA-related series of air disasters. I was so incensed by what was going on and the constant accidents. Every six months there would be another fatal crash. So what I did was I forced a four-month hearing upon the FAA, during which I acted as an independent prosecutor. During this time I conducted the hearing and brought testimony and hard evidence into a 4,000-page transcript. During this hearing I had FAA management engaging in perjury, subornation of perjury and fraud that I was able to document."

"People don't realise the significance of this, which I describe in *Unfriendly Skies*. This has never happened in the FAA, and probably never will again, where a key FAA investigator forces a hearing on the FAA, during which it is turned into an adversary hearing. I'm getting witnesses to testify and I'm introducing documents and there are some really unusual events going on. Plus,

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during the hearing, two more air disasters occur; in one of them, over a hundred people are killed. They were due to problems that I was identifying, and the crashes occurred in my area of responsibility. They were due to the same problems that I was bringing out and that FAA management was fraudulently denying existed. It makes for a helluva story."

And what are the reasons for the corruption? Were airline officials just paying off FAA top officials? What is the motivation for these continuing crimes, cover-ups and air safety violations?

"There are several reasons," Stich explained. "One, the revolving door syndrome which is in many government agencies. Government employees, usually management, are placating industry, doing anything they can to get brownie points so that when they leave government service they get high-paying jobs in industry.

"Then, of course, there's pressure on the FAA from members in Congress who are getting healthy contributions from industry. And when that pressure is put on the top of the FAA, it goes all the way down the line.

And for all of these FAA people who cooperate, there are different ways they can be rewarded. So the fellow who's trying to do his job, and insists upon doing it, suffers retaliation. But for all those who play the game, there are various rewards that they get.

"Then you have the incompetents in the FAA. You get someone at management level. He doesn't want to fight with industry. First of all, he's not competent to take them on. The point of an inspector is to bring out unlawful or unsafe practices. The management people don't want to hear this. Reports are made and destroyed. If an inspector persists, there are many ways that he can be retaliated against—if he doesn't get the message.

"The FAA came into being in 1958 from the Civil Aeronautic Association after a United Airlines aircraft rammed into a TWA airliner over the Grand Canyon. That received so much publicity that Congress legislated the Federal Aviation Act of 1958. I went with the FAA shortly thereafter. The function of the FAA is to promote safety and to issue rules and regulations and have inspectors to see that they're carried out. But there are many

problems in the system."

No kidding. The biggest problem seems to be to figure out who will watch the watchers. How can government agencies remain accountable to the citizens rather than so-called special interest and industry groups?

Another obvious parallel in the United States is the relationship between the Food and Drug Administration (FDA) which is supposed to be a public guardian of health, and the pharmaceutical industry which is involved in the same kind of bribery, corrupt practices and 'revolving door' policies of agency employees and industry executives. The Securities Exchange Commission (SEC) and the so-called securities industry are another case in point.

So what can be done to break the chains of corruption?

"We could clean out the Justice Department for one thing and provide some type of workable solution where inspectors or government agents could get protection if they are being retaliated against," Stich commented.

Isn't that what the Whistleblower Act is all about?

"It doesn't work for those who are report-

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ing high-level government corruption," Stich explained. "That's okay if you report misconduct of industry, and that industry is not being protected by high-level government management. Let me quickly mention that over a period of years, as I'm getting more publicity, I'm getting more and more government agents coming to me all the time. I can think of a dozen of these people who attempted to report serious, high-level government corruption and suffered retaliation."

DARK NIGHT OF THE SOUL

Defrauding America is essential reading for everyone who cares about freedom. It's exhilarating—and disheartening—because it contains hard evidence of state-sponsored terrorism by the US Government against its own citizens.

When Rodney Stich found himself in prison because of his whistleblower activities, his own personal nightmare was in full swing.

"Many times I thought to myself: 'My God, how can this be happening to me? This can't be!'" he writes. "I couldn't

believe that what started out with discovering deadly air safety and criminal violations at United Airlines could have such devastating consequences for me...

"How could I be in prison for refusing to commit the crime of cover-up? Where were the media, the so-called protectors against government tyranny?..."

"It was all so incomprehensible. I had been financially well off. I had a good life. I had a reputation throughout the United States as an air safety activist, and suddenly I found myself in prison and stripped of the assets I'd worked for the past 20 years to acquire, all because I felt a sense of responsibility..."

"Sometimes I just wanted to die. The strain of all this was getting to me. Flung into prison, things looked bleak. Everything was accumulating: the six years of judicial persecution; the loss of my home, my business, my assets; the humiliation, the character assassination, the loss of privacy and the hopelessness. There is only so much a person can stand. It caused me to think more than once of ending it all. I had been through World War II as a navy pilot in the Pacific; I had flown for almost 50 years, experiencing all kinds of aircraft

emergencies; I had been caught in Iranian revolutions. All these stressful conditions put together did not equal the fear I now experienced..."

"I looked at the plastic bags used for laundry and other purposes and thought how peaceful things could suddenly become if one were slipped over one's head and the misery ended. The primary thing preventing me from doing such a thing was the hope that I could expose the corruption in government and somehow motivate the American people to exercise their responsibilities under our form of government. What a dreamer I must have been."

Not only a dreamer, Rodney Stich is a courageous individual who has put his sense of justice above everything else.

Continued in the next issue of NEXUS...

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Uri Dowbenko is a writer and syndicated columnist. His "alt.media" column is an entertaining and informative critique of current movies, books and pop culture with a social and political commentary. Samples of the column can be obtained from: alt.media, PO Box 43, Pray, Montana, 59065, USA; website, <u.dowbenko@http://www.mailcity.com>.